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FISCAL IMPACT STATEMENT

LS 6521

BILL NUMBER: HB 1071

NOTE PREPARED: Mar 17, 2008

BILL AMENDED: Mar 14, 2008

SUBJECT: Funding for Voting Machine Replacement; Vote Center Pilot Counties.

FIRST AUTHOR: Rep. Grubb

FIRST SPONSOR: Sen. C. Lawson

BILL STATUS: Enrolled

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☒ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill does the following.

Reimbursement of Certain Counties- The bill provides for the reimbursement of a county that has purchased or will purchase a new voting system to replace a voting system that the county cannot use because the county is unable to obtain technical or other operating support for its current voting system, if the purchase is eligible for reimbursement under the federal Help America Vote Act (HAVA). The bill requires that any HAVA money received after December 31, 2007, must be allocated to reimburse Boone, Cass, Parke, and Randolph counties.

Petition by Secretary of State- The bill requires the Secretary of State (SOS) to petition the federal Election Assistance Commission for authority to use HAVA money to reimburse the counties listed above.

Vote Center Redesignation- The bill extends the vote center pilot program through 2010. The bill allows the SOS to designate not later than April 1, 2008, one additional county as a vote center pilot county. The bill redesignates automatically as a vote center pilot county a county designated before April 1, 2008, as a vote center pilot county.

Appropriation- The bill appropriates \$125,200 from the state General Fund to match any HAVA money received by the state after December 31, 2007.

Effective Date: January 1, 2008 (retroactive); Upon passage.

Explanation of State Expenditures: *Vote Center Pilot Redesignation-* The SOS and the Election Division

would have additional administrative duties to designate one additional pilot county with vote centers. Both the SOS and Election Division would be able to carry out this provision within their existing level of resources.

Reimbursement of Certain Counties- Any increase in state expenditures under this provision would depend on approvals by the Budget Agency and Budget Committee for reimbursement from HAVA funds. Any amount received from the federal government for HAVA after December 31, 2007, would be used for reimbursement to eligible counties under the bill and would depend on the availability of HAVA funds in the future.

Appropriation- The bill would increase expenditures from the state General Fund by \$125,200. The Election Administration Assistance Fund would receive the \$125,200. The appropriation would cover the time period beginning July 1, 2008, and expiring after June 30, 2011.

Background- Boone, Cass, Parke, and Randolph Counties have purchased voting systems with their original allotment of HAVA funds. These four counties purchased voting systems from a vendor that is no longer able to provide technical support. Cass County has about \$73,000 remaining in their HAVA voting system replacement allotment. Boone County may be able to qualify for a portion of a \$2 M allotment from the federal government for counties that purchased a voting system between 1998 and 2001 (prior to HAVA, Boone purchased a voting system in 1999, before the purchase of their current voting system). Parke and Randolph have expended their entire HAVA disbursement.

About \$5.1 M remained in Sec. 101 HAVA voting system replacement funds as of October 31, 2007. All \$5.1 M has been obligated to other counties for their initial purchase of voting systems.

The Indiana Election Division reverted \$21,218 to the General Fund at the end of FY 2007. The Division had two vacancies worth \$88,000 in salary as of November 2007.

At the end of FY 2007, the SOS reverted \$42,178 to the state General Fund.

Explanation of State Revenues:

Explanation of Local Expenditures: *Vote Center Pilot Redesignation-* The establishment of a new pilot vote center county could reduce the expenditures needed to conduct an election, including payment of fewer poll workers and printing of poll books. However, start-up expenses such as the establishment of an electronic poll book database could offset some of the potential savings. The impact on local expenditures would depend on the adoption of ordinances by a county election board (under unanimous approval vote) and resolutions of approval by both the county executive and county fiscal body.

Background- Tippecanoe County Vote Centers- Tippecanoe County was one of two pilot counties designated by the Secretary of State after the passage of P.L. 164-2006 authorizing pilot vote centers. During the 2007 municipal election, Tippecanoe County established 22 vote centers replacing 52 precinct polling locations. Based on testimony in the Census Data Advisory Committee during the 2007 interim, Tippecanoe County was required by law to establish at least six vote centers. Tippecanoe County paid their vote center inspectors \$170 per day during the 2007 election, partially to include increased training time (four hours). Tippecanoe County had budgeted to pay their inspectors \$160 in a conventional precinct election (due to fewer hours of

training).

In their forthcoming report to the Secretary of State, Tippecanoe County estimates that a precinct election would have required 260 full-time poll workers versus approximately 142 full-time (plus some additional part-time) poll workers utilized in vote centers during the 2007 municipal election. Additionally, Tippecanoe County paid \$10,750 for electronic polling software for the vote centers. As a result, the county did not have to produce paper versions, which were estimated to cost \$1,782 to produce. Poll book printing savings would break even with the start-up cost of the poll book software within roughly six elections conducted by vote centers.

The requirement to produce and mail voting postcards, which a voter was supposed to show a poll worker before voting at a vote center (to prevent duplicate voting), cost the county \$12,465 to produce, a cost not required in a conventional precinct election. However, the additional expenditures generated by postcard production for the vote centers were mostly offset by the reduced part-time labor and absentee ballot production costs experienced in the election using vote centers.

Explanation of Local Revenues: *Reimbursement of Certain Counties-* Counties eligible under the provisions of the bill could receive additional HAVA funds to replace election equipment. The total amount awarded will depend on the number of approved counties and the future availability of HAVA funds.

State Agencies Affected: Secretary of State, Election Division.

Local Agencies Affected: County election board.

Information Sources: Joe McLain, Indiana Secretary of State's Office; *FY 2007 Close-Out General Fund Reversion Summary*; *State of Indiana Detail Staffing Report 7/2/2007*; Linda Phillips, Tippecanoe County Clerk, 765-423-9326.

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